22ECP206

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

MA DEGREE EXAMINATION MAY 2023
(Second Semester)

Branch – **ECONOMICS**

ADVANCED MICRO ECONOMIC THEORY - II

Time: Three Hours | Maximum: 50 Marks

SECTION-A (5 Marks)
Answer **ALL** questions
ALL questions carry **EQUAL** marks (5 x 1 = 5)

1 Cournot model of duopoly, each duopolist will produce.....
(i) One-third of the total output (ii) One-fourth of the total output
(iii) One-sixth of the total output (iv) Half of the output

2 The marginal productivity theory of distribution is associated with
(i) Adam Smith (ii) Lionel Robbins
(iii) J.B.Clark (iv) Bergson

3 The impossibility theorem was demonstrated by _____.
(i) Kenneth Arrow (ii) Rawl
(iii) Adam Smith (iv) Marshall

4 General equilibrium analysis was developed by.....
(i) Marshall (ii) Walras
(iii) Ricardo (iv) Adam Smith

5 Risk Aversion is also known as...
(i) Decision Making (ii) Efficiency
(iii) The tendency to avoid risk (iv) Blending

SECTION - B (15 Marks)
Answer **ALL** Questions
ALL Questions Carry **EQUAL** Marks (5 x 3 = 15)

6 (a) State the meaning of term Nash Equilibrium.
OR
(b) Explain the Stackelberg model of duopoly.

7 (a) Analyse the Elasticity of Technical Substitution.
OR
(b) Evaluate the Product Exhaustion Theorem.

8 (a) Show the Rawl's theory of Justice.
OR
(b) Illustrate the Value Judgement.

Cont...

9 (a) Bring out the Partial and General equilibrium.

OR

(b) State the meaning of Walrasian excess demand.

10 (a) Prepare the meaning of Economics of Insurance.

OR

(b) Define Sensitivity Analysis.

SECTION -C (30 Marks)

Answer **ALL** questions

ALL questions carry **EQUAL** Marks (5 x 6 = 30)

11 (a) Elucidate the Extensive forms and Normal forms.

OR

(b) Construct the Cournot duopoly model .

12 (a) Appraise the Marginal Productivity Theory.

OR

(b) Assess the Determination of Rent, Wages and Profit.

13 (a) Invent the Welfare Maximization and it's Assumptions.

OR

(b) Predict the Problems of Asymmetric Information.

14 (a) Design the Existence, Stability and Uniqueness of equilibrium.

OR

(b) Evaluate the input and output approaches of general equilibrium.

15. (a) Develop the Mean Variance Analysis and Portfolio selection.

OR

(b) Formulate the Optimal Consumption under Uncertainty.

Z-Z-Z END